

## When And How to Apply

Renters have until September 1 of the year in which the credit is sought to apply, but it is advantageous to file as early as possible.

The standard form on which to apply is provided by the Tax Credits Office of the State Department of Assessments and Taxation.

Applications can be obtained any time after February 1st from your local assessment office or by calling the Tax Credits Telephone Service at 410-767-4433 (Baltimore Area) or 1-800-944-7403 (Toll Free).

 [Print a copy of the Renters Tax Credit application](#)

### Applications should be mailed to:

State Department of Assessments & Taxation  
Renters' Tax Credit Program  
301 W. Preston Street, Room 900  
Baltimore, MD 21201-2395

*Please do not mail any tax credit applications to the Department containing personal information, such as social security numbers and/or income tax returns. Instead, please mail or fax your completed application and supporting documents to the Department, so your personal information remains confidential.*

## How to Estimate the Tax Credit

The property tax relief a renter may receive is based upon a comparison of the assumed real property tax in the yearly rent minus a percentage of the household income as shown here:

0% of the first \$4,000 of income  
2.5% of the next \$4,000 of income  
5.5% of all income in excess of \$8,000

Estimating your own tax credit can be done by taking these three steps. Remember, the key to the plan is your rent in relationship to your income. The plan assumes that 15% of your occupancy rent goes toward the payment of property taxes. Occupancy rent does not include charges for heat, utilities, or any other fees paid with the rent.

**Step 1:**

Find your 2017 income and tax limit from the chart in the next column.

Example: If your income is \$11,000, your tax limit is \$265.

**Step 2:**

Take 15% of the total occupancy rent for the year 2017.

Example: A monthly rental of \$300 would amount to \$3,600 a year. Fifteen percent of \$3,600 is \$540.

**Step 3:**

Subtract your tax limit amount from the assumed property tax.

Example:

\$540 15% of occupancy rent

-265 tax limit from chart

\$275 amount of tax credit

The \$275 difference is the amount the renter would receive as a tax credit.

The amount of the renters' tax credit will vary according to the relationship between the rent and income, with the maximum allowable credit being \$1,000. Those found eligible for a credit as determined by the State Department of Assessments and Taxation will receive a check directly from the State Treasury. Anyone who is found ineligible will be notified in writing and given the reason why.

**IMPORTANT:** If 15% of your occupancy rent is more than the tax limit amount shown on the schedule below for your income, you are urged to file a Renters' Tax Credit application.

2017 Combined Income	Tax Limit
\$ 0 to 4,000	\$ 0
5,000	25
6,000	50
7,000	75
8,000	100
9,000	155
10,000	210
11,000	265
12,000	320
13,000	375
14,000	430
15,000	485
16,000	540

17,000	595
18,000	650
19,000	705
20,000	760
For each additional \$1,000 of income, add \$55 to \$760 to find the tax limit.	

## Renters' Tax Credits

The Renters' Tax Credit Program provides property tax credits for renters who meet certain requirements. The plan was modeled after and designed to be similar in principle to the Homeowners' Tax Credit Program, which is known to many as the Circuit Breaker Program. The concept rests on the reasoning that renters indirectly pay property taxes as part of their rent and thus should have some protection, as do homeowners.

The plan is based upon the relationship between rent and income. If the portion of rent attributable to the assumed property taxes exceeds a fixed amount in relation to income, the renter can, under specified conditions, receive a credit of as much as \$1,000. The credit is paid as a direct check from the State of Maryland.

### HOW A RENTED DWELLING IS DEFINED

The rented dwelling may be an apartment in an individual house or any type of apartment building, duplex, co-op, condominium, house trailer, or mobile home pad. The dwelling must be the principal residence in Maryland and the renter must live there at least six months of the year. You are only eligible to receive a tax credit for rent paid in the State of Maryland.

The applicant must have a bona fide leasehold interest in the property and be legally responsible for the rent. If the dwelling that is rented is owned by a tax exempt, charitable organization or is exempt in any way from property taxation, a tax credit cannot be granted.

### HOW TO DETERMINE IF YOU MAY BE ELIGIBLE

**COMBINED INCOMES:** Credits are calculated according to total income, meaning all combined gross household income before deductions. This includes income from all sources, whether or not taxable for federal and state income tax purposes. It also includes Social Security as well as all other retirement benefits.

### AGE 60 OR OVER OR 100% DISABLED

If you are age 60 or over or 100% disabled, use the chart below to determine if it is worthwhile for you to file an application. Note: A surviving spouse of one who otherwise would have been eligible also qualifies.

## CHART 1

1. Find your approximate 2017 total gross household income in Column A.
2. If your monthly rent is more than the figure in Column B across from your income, you may be eligible and are encouraged to apply.

Column A Total Income	Column B Monthly Rent
\$1 - 10,000	117
20,000	423
25,000	576
33,000	800
39,000	1,000
43,000	1,100
46,000	1,200
49,000	1,300
53,000	1,400
56,000	1,500
59,000	1,600
62,000	1,700
66,000	1,800
69,000	1,900
73,000	2,000

The rent in Chart 1 assumes that you pay all your own utilities separate from the monthly rent. If the rent includes gas, electric and heat, you may need to have as much as 18% higher monthly rent to qualify for a credit.

Trailer park residents are advised to submit an application and allow this office to determine eligibility.

Chart 1 is a guide only, and the exact amount of your income and rent will be used to determine your eligibility. If you submit an application, the State will determine your eligibility.

## UNDER 60 YEARS OF AGE

If you are a renter under the age of 60 who, during 2017, had at least one dependent under the age of 18 living with you AND you did not receive federal or state housing subsidies or reside in public housing AND the combined income of all residents of your dwelling is below the following guidelines, you are encouraged to apply.

## CHART 2

Persons in Household (Include Applicant)	2017 Gross Income Limit
2	\$16,543
3	\$19,105
4	\$24,563
5	\$29,111
6	\$32,928
7	\$37,458
8	\$41,781
9	\$49,721

Note: If you think you qualify based on the income limits on the above chart, you are encouraged to apply. The State will determine your eligibility using the above chart and the formula that compares rent and income (See Chart 1).

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301 W. Preston St., Baltimore, MD 21201-2395

410-767-1184 | Outside the Baltimore Metro Area 888-246-5941 | Maryland Relay 800-735-2258

(877) 634-6361